GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1251
ANSWERED ON:25.07.2016
Demand/Supply of Petroleum Products
Chandel Kunwar Pushpendra Singh;Mahajan Smt. Poonam ;Maragatham Smt. K.;Nagar Shri Rodmal;Ram Mohan Naidu Shri Kinjarapu;Sathyabama Smt. V.;Sawaikar Shri Advocate Narendra Keshav

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of crude oil imported during the last three years and the current year, country/value-wise in terms of rupee and dollar;
(b) the details of domestic production and consumption of petroleum products including petrol, diesel, LPG, CNG, crude oil and gas capacity of public and private sector companies during each of the last three years, Oil Marketing Companies (OMCs)/product-wise;
(c) whether there is a demand and supply mismatch in the production of petroleum products in the country, if so, the details thereof along with steps taken/ being taken by the Government to remove this mismatch and meet the domestic demand of petroleum products in the country and steps taken to reduce the expenditure incurred on fuel subsidy and dependence on import of crude oil/ petroleum products to save foreign exchange during the said period, product-wise;
(d) whether due to recent shut down of some refineries on account of water shortage the Government has entered into agreements with several countries for overseas supplies in order to meet the rising demand of petroleum products and natural gas and if so, the details thereof; and
(e) the other measures taken by the Government to promote the use of public transport in order to counter the rising demand of petroleum products in the country and find out an alternative to petroleum products in the country?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
(a): The details of crude oil imported and its value in terms of rupee and dollar during the last three years and the current year and Country wise crude oil import during the said period is given in Annexure-I.
(b): The details of crude oil, natural gas and petroleum products production and consumption (PSU/JV and private sector company-wise) during the last three years are given in Annexure-II.
(c): At present, the existing refining capacity is sufficient to meet domestic demand of POL products (except for LPG and lubricants)and some of the products are exported. The measures being taken to reduce import dependency are as under:
i. Increasing production of oil & gas
ii. Energy conservation and efficiency
iii. Demand substitution
iv. Promoting alternate fuels/renewable
v. Improvement in refinery processes.
Further, the major steps taken by the Government to reduce the subsidy/ under-recovery burden on petroleum products are as following:
(i) Petrol and Diesel prices were made market determined effective 26th June 2010 & 19th October 2014 respectively.
(ii) At present, a cap of 12 cylinders per annum of Domestic LPG at subsidized rate to each household, is applicable.
(iii) The Government has also launched Direct Benefit Transfer Scheme (PAHAL) in the entire country effective 1st January 2015 wherein the subsidy on Domestic LPG is provided only to the eligible consumers directly in their bank account. Further, on 28th December 2015, the Government has decided that the benefit of the LPG subsidy will not be available for LPG consumers if the consumer or his/her spouse had taxable income of more than Rs. 10,00,000/- during the previous financial year.
(iv) The Government has launched 'Give it up' campaign wherein the better off sections of the society have been requested to forego their LPG subsidy.
(v) The quota of PDS Kerosene has been rationalized over the years resulting in reduction in subsidy.
(d): Public Sector OMCs take decision on import of petroleum products based on demand and supply scenario in the country.
(e): The Government is promoting biofuels, such as ethanol and bio-diesel, as substitutes of Petrol and Diesel. The Government, through Public Sector Oil Marketing Companies, is implementing Ethanol Blended Petrol (EBP) Programme under which, Public Sector Oil Marketing Companies sell ethanol blended petrol with percentage of ethanol upto 10%. Also, retailing of bio-diesel blended diesel by Oil Marketing Companies has started on World Biofuel Day, i.e., 10th August, 2015.
The Government has also issued notifications related to mass emission standard for flex-fuel (E 85) or (E 100) and ethanol (ED 95) vehicles, Bio diesel and retro-fitment of Hybrid Electric Vehicles to promote the use of public transport to counter the rising demand of petroleum products and as an alternative to petroleum products in the country.
*****